

Process Note for Bounce Mails

As per Master Circular NSE/INSP/57394 dated 30.06.2023 & SEBI Circular MRD/DoP/SE/Cir-20/2005 dated September 8, 2005, for sending documents through Mails and Electronic issuance of Contract notes – additional conditions have to be followed by the members.

Background:

As per regulatory requirements, documents can be sent either through mail duly signed or physical documents duly signed by authorised signatories. Records evidencing the identity of its clients and beneficial owners as well as account files and business correspondence shall be maintained and preserved for a period of five years after the business relationship between a client and intermediary has ended or the account has been closed, whichever is later. As per AML guidelines, non-availability of copies of correspondence is an AML violation. There is also a need to maintain copy of the sent emails to clients due to the legal and compliance implications and it is also required as a defence in case of complaints by clients.

In case of documents sent through email following steps need to be taken by the members.

- The digitally signed ECNs may be sent only to those clients who have opted to receive the contract notes in an electronic form, either in the member by a separate consent letter. The mode of confirmation shall be as per the agreement entered into with the clients.
- As per regulatory requirements, proof of delivery / dispatch log is to be maintained for statements, contract notes, set of client registration documents, etc. which are sent to customers. Therefore, list of all delivered emails (all clients to whom email sent) & list of successful deliveries (as evidence of communication sent) need to be available.
- Log Report for rejected or bounced mails report shall provide the details of the documents that are not delivered to the client/e-mails rejected or bounced back and member shall take all possible steps (including settings of mail servers, etc) to ensure receipt of notification of bounced mails by times within the stipulated time period under the extant regulations of SEBI/stock exchanges. Further Acknowledgement of email shall be retained by the member in a soft and non-tamper able form.

Process followed for Mails sent to client and Bounce:

Vendor:

We have availed services for Zentech Technologies (Comtrack) for sending documents such as Contract, Margin statement & Weekly ledgers to clients. The solution has been implemented from 29th December, 2023.

Steps:

Master Update:

On daily basis the master data is provided to the Comtrack system which stores the master's data of clients for sending mails.

Generation of Data & Sending of Documents to clients:

Contracts:

We need to send Contract Notes for trades executed by clients for the day on daily basis. The same has to be delivered to the client within 24 hrs. Backoffice generates contracts at the end of the day and provides data in the designated folder on daily basis from which system picks up data and send the same to clients.

Margins:

We send Margins statement on daily basis. The same has to be delivered to the client within 24 hrs. Backoffice generates Margin statement at the end of the day and provides data in the designated folder on daily basis from which system picks up data and send the same to clients.

Weekly Ledgers:

As per the regulatory requirements we need to send weekly ledgers to client. Weekly ledgers are prepared and kept data in designated folders wherein system picks up data and send them to clients.

Bounce Mails:

Comtrack verifies details for bounce mail next day for soft and hard bounce post which data for printing documents is prepared for final hard bounced mails. Once data is prepared, they will the print the documents and send the same through posts to the clients. In case the documents sent through post is returned the same is received at communication address of BOB Capital Market Ltd situated at Andheri.

Maintenance of Data:

System has the Dashboard which shows how much contracts / Margin Statements / Weekly Ledger reports are sent on daily basis along with count for soft bounce and hard bounce. It also provides hard bounce sent through post in dashboard on daily basis.

Proof of Mails sent and bounce Mails:

Logs of each document sent to client are maintained and readily available for audit purpose in Non temper able format.

Logs for each documents bounce are maintained and readily available for audit purpose in Non team parable format along with Proof of delivery sent to the respective clients.

Action taken for Document returned:

Documents if undelivered are received at our communication address at BOBCAPS Andheri office. Upon receipt of the same details and the reasons for return are verified by Backoffice team. Details such as address & email are verified with the AOF document in which the same are provided at the time of opening Trading account. In case details are found to be correct / if any discrepancies are observed then following actions are taken:

- a. The Trading account is temporary suspended in the front-end system.
- b. Intimation to Customer care team is done requesting to contact client and confirm the details.
- c. Customer Care Contacts Clients based on the reasons for mail bounced and non-deliverance of the documents to clients and received at BOBCAPS Andheri office.
- d. Upon Contacting they request the clients:
 1. To clear mail box client is requested to confirm that mail box is clear through registered email id.
 2. If client wants to change the email id, then modification form is provided and request them to send the hard copy to Head office communication address at Andheri
 3. For return of documents to HO they inquire the reasons if address registered with us are not changed. If changed will request to them to fill up the modification form and provide the proof of address along with FATCA form and send the same to Head office communication address at Andheri
- e. The client remains suspended till the time confirmation is received from the customers either through email or physical documents are submitted to Backoffice.
- f. Backoffice will carry out the necessary changes and update the masters on receipt of physical documents at exchange / front office.